

Change in Pharmacy Compound Fee Effective 11/01/07 for Multi-Ingredient Compound Claim Submission

On July 2, 2007, changes were made to the process of multi-ingredient compound claim submission for all OVHA beneficiaries. Since that time, pharmacies have indicated that the submission of claims with a graduated compound fee based on level of effort has been difficult. In some cases, pharmacies were unable to get software updated to accommodate transmitting this information.

Recognizing this difficulty, OVHA is announcing a change in the compound fee effective **11/01/07**. A compound fee (professional services fee) of \$15.00 will be automatically added to all prescriptions submitted with a compound indicator of "2" (in addition to the regular \$4.75 in-state or \$3.65 out-of-state dispensing fee) regardless of level of effort or dosage form of the compounded product. It will no longer be necessary to indicate "level-of-effort" as part of the claim submission.

All other changes to multi-ingredient compound claims submission implemented on 7/2/07 remain in effect and are summarized below for your review.

In order for an ingredient to be considered for payment, the manufacturer or supplier of the individual ingredients **must participate in the Federal Rebate program** (as required by the Social Security Act SEC. 1927. [42 U.S.C. 1396r-8]).

All compounds must contain **more than 1 ingredient**. Compounds submitted with only 1 ingredient will reject with a reject code of 76 with local messaging of "Minimum ingredients of 2".

Compound indicator must be "2" (indicating a multi-ingredient compound).

NDC field in claim segment (i.e. Product/Service ID) (not individual ingredients) must contain **11 zeros**. If an actual individual NDC is submitted in the Product/Service ID, the claim will reject with a reject code of 70 with local messaging of "Submit 11 zeros in the Product/Service ID and complete compound detail – more than 1 ingredient required".

For questions regarding compound claims submission, please contact Nancy Miner (MedMetrics Program Representative) by email at nancy_miner@medmetricshp.com or by phone at 1-802-879-5638.